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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

MATTHEW WADE BEASLEY *et al.*

Defendants;

THE JUDD IRREVOCABLE TRUST *et al.*

Relief Defendants.

Case No. 2:22-cv-00612-CDS-EJY

**PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION’S, THE
RECEIVER’S, DEFENDANT
CHRISTOPHER HUMPHRIES’, AND
NON-PARTY JESSICA
HUMPHRIES’ FIRST STIPULATION
CONCERNING LIVING EXPENSES**

Plaintiff United States Securities and Exchange Commission (“SEC”, “Commission”, or “Plaintiff”), the Court’s appointed Receiver, Geoff Winkler of American Fiduciary Services LLC (the “Receiver”), defendant Christopher Humphries (“Mr. Humphries”), relief defendant CJ Investments, LLC (“Relief Humphries Company”), and non-party Jessica Humphries (“Mrs. Humphries”) (collectively the “Humphries”) hereby provide this first stipulation regarding the

1 following and ask this Court to enter an ORDER consistent with this stipulation regarding the
 2 release of living expenses for Mrs. Humphries, her husband defendant Christopher Humphries,
 3 and their four children.

4 **I. RECITALS**

5 **WHEREAS**, on April 12, 2022, Plaintiff filed its Complaint in this matter, alleging
 6 violations of the registration and/or antifraud provisions of the federal securities laws by the eleven
 7 named Defendants (who include Mr. Humphries), and the receipt of ill-gotten proceeds of such
 8 violations by the eleven Relief Defendants (which include CJ Investments, LLC). (Dkt. No. 1.)

9 **WHEREAS**, on April 13, 2022, the Commission filed an Ex Parte Application for Entry
 10 of a Temporary Restraining Order and other equitable relief as to Defendants and an asset freeze
 11 as to Defendants and Relief Defendants (Dkt. No. 2), which was granted by the Court on April 13,
 12 2022. (Dkt. No. 3.)

13 **WHEREAS**, on or about April 15th, 2022, pursuant to the Court's asset freeze, Wells
 14 Fargo bank and U.S. Bank froze the following accounts with the following balances:

15	a) US Bank Personal Checking xx8067	Balance \$1,338,691.24
16	b) US Bank Personal Savings xx1591	Balance \$500.00
17	c) US Bank CJ Investments xx0526	Balance \$1,128,269.48
18	d) US Bank CJ Humphries Foundation xx0913	Balance \$346,704.08
19	e) Wells Fargo Personal Checking xx5547	Balance \$47,203.75
20	f) Wells Fargo Personal Savings xx2164	Balance \$1,100.27
21	g) Wells Fargo Teen Checking xx0829	Balance \$17.65
22	h) Wells Fargo Doterra Essential Oils xx8722	Balance \$5,186.21
23	i) Wells Fargo Anderson Dairy Creamery xx 1189	Balance \$2.24
24	j) Wells Fargo CJ Investments LLC xx6358	Balance \$52,650.58
25	k) Wells Fargo BugRaiders Checking xx0377	Balance \$51,314.74
26	l) Wells Fargo BugRaiders Savings xx9745	Balance \$1,800.34
27	m) Wells Fargo JCH Consulting LLC xx1243	Balance \$8,427.38

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1 **WHEREAS**, on April 21, 2022, the Court issued its Order Entering Preliminary
 2 Injunction, Asset Freeze, and other Equitable Relief as to Defendants and Relief Defendants,
 3 which, *inter alia*, continued the asset freeze imposed by the Court on April 13, 2022. (Dkt. No.
 4 56.) The Court’s Order provided that “any allowance for necessary and reasonable living expenses
 5 will be granted only upon good cause shown by application to the Court with notice and an
 6 opportunity for the Commission to be heard.”

7 **WHEREAS**, at the show cause hearing before the Court on April 21, 2022, the Court
 8 directed counsel for the Humphries to discuss the issues with the SEC and seek to resolve the
 9 issues surrounding the Humphries’ living expenses in an amicable manner. If no voluntary
 10 arrangement could be reached, then the Humphries could bring the unresolved issues to the Court
 11 for decision.

12 **WHEREAS**, on June 3, 2022, the Court appointed a Receiver, Geoff Winkler, and ordered
 13 him to take possession of the personal assets of Mr. Humphries during the pendency of this Action.
 14 (the “Receivership Order”)(Dkt. 88).

15 **WHEREAS**, on or about June 24, 2022, the Receiver took possession of the following
 16 personal assets from Wells Fargo bank with the following balances transferred to the Receiver:

- | | |
|---|---------------------|
| 17 a) Wells Fargo Personal Checking xx5547 | Balance \$47,203.75 |
| 18 b) Wells Fargo Doterra Essential Oils xx8722 | Balance \$5,186.21 |
| 19 c) Wells Fargo CJ Investments LLC xx6358 | Balance \$52,650.58 |
| 20 d) Wells Fargo BugRaiders Checking xx0377 | Balance \$51,314.74 |
| 21 e) Wells Fargo JCH Consulting LLC xx1243 | Balance \$8,427.38 |

22 **WHEREAS**, on June 29, 2022, the SEC filed an Amended Complaint (Dkt. 118).

23 **WHEREAS**, now counsel for Plaintiff, the Receiver, and the Humphries have reached the
 24 following agreement as to an allowance for living expenses for the Humphries and jointly provide
 25 this proposed agreement for approval by the Court.

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II. STIPULATED TERMS

1. Living expenses for Mr. and Mrs. Humphries and their four minor children are approved for a six month period in the amount of \$6,630 per month for a total of \$39,780.
2. In lieu of paying the living expenses identified above, the \$39,780 will be credited towards the outstanding amount owed on the mortgage for the Humphries residence in Huntington Beach (the precise address is listed in the sealed assets list filed with the Court April 20, 2022; DKT 37) and the Receiver will forbear the right to seek any remaining amounts from the Humphries relating to the Huntington Beach property and will utilize the proceeds of the sale of the property to address any deficit.
3. The Receiver and the SEC shall permit the Humphries to retain the following vehicles. The Humphries agree to maintain insurance on these vehicles:
 - a. 2021 Chevrolet Tahoe (NV License Plate ALC402) registered to CJ Investments that Mr. Humphries drives as his primary vehicle;
 - b. 2020 Tesla Model X (NV License Plate ALC406) registered to CJ Investments that Mrs. Humphries drives as her primary vehicle;
 - c. 2014 Nissan Frontier (NV License Plate 120U84) registered to BugRaiders Pest Control which is used as a work vehicle by the BugRaiders business (replacement for the totaled 2022 Chevrolet Colorado work truck); and
 - d. 2021 Chevrolet Colorado (NV License Plate 729N71) registered to BugRaiders Pest Control which is used as a work vehicle by the BugRaiders business.
4. The Humphries agree to cooperate with the Receiver and the SEC to turn over no later than August 31, 2022, to the Receiver at the Huntington Beach house the following vehicles:

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- a. 1977 VW Bus (NV License Plate 5Y78) registered to CJ Investments; and
- b. 2021 Tomberlin Golf Cart (CA License Plate 8XYS271) registered to Mr. and Mrs. Humphries.

5. The Humphries agree to cooperate with the Receiver and the SEC to turn over no later than September 30, 2022, to the Receiver at the Huntington Beach house the following vehicle:

- a. 2021 Jeep Wrangler (NV License Plate xx0242) registered to Mr. and Mrs. Humphries which their 16 year old daughter has been using while attending high school.

6. Once they turn over the keys of the vehicles identified in paragraphs 4 and 5 to the Receiver, the Humphries have no responsibility to maintain these vehicles, pay taxes, insure them, or pay any other costs associated with any of these vehicles.

7. The Humphries have moved back into their home in Henderson, Nevada (the precise address is listed in the sealed assets list filed with the Court April 20, 2022; DKT 37). Mrs. Humphries and their four children have vacated the residence in Huntington Beach as promised by August 15, 2022 (the precise address is listed in the sealed assets list filed with the Court April 20, 2022; DKT 37) to live full-time in the Henderson house. The Humphries agree to turn over the keys and access to the house by no later than August 31, 2022. Once they turn over the keys to the Receiver, the Humphries have no responsibility to maintain the home, the mortgage, the taxes, the insurance or any other costs associated with the Huntington Beach house.

8. Mrs. Humphries' parents have also moved into the Henderson house. Mr. and Mrs. Humphries have a homestead recorded against their Henderson house. The house is owned by the Humphries' Living Trust. The Receiver and the SEC agree to permit the Humphries and their extended family to reside in this Henderson home for the time being in light of their cooperation and the large number of family members living in the Henderson house. If the Receiver or the SEC wants

the Humphries to leave the Henderson house, the SEC, the Receiver and the Humphries will meet and confer at least 60 days ahead of any requested date to leave to discuss the request. While they reside in the Henderson house, the Humphries agree to maintain insurance on the Henderson house, pay the property taxes, and pay the HOA fees.

9. The Humphries own a rental property in Hurricane, Utah (the precise address is listed in the sealed assets list filed with the Court April 20, 2022; DKT 37) which currently has a tenant residing in the property; the current lease expires in or about February 2022. The Humphries agree to cooperate with the Receiver and the SEC to turn over to the Receiver the Hurricane rental property so that the Receiver can sell it. It is not responsibility of the Humphries to pay the tenant or evict the tenant. The Humphries agree to turn over the owner's set of the keys to the Receiver by September 9, 2022. Once they turn over the keys to the Receiver, the Humphries have no responsibility to maintain the home, the taxes, the insurance or any other costs associated with the Hurricane house.

10. Wells Fargo Bank froze the account of Nathan Hall (Account XXX0420; the full account number is listed in the sealed assets list filed with the Court April 20, 2022; DKT 37). Nathan Hall, who is Mrs. Humphries' uncle, needs the funds and has supplied a declaration signed by Nathan Hall to the Receiver and the SEC. Within 10 days of this Order, the monies in this Nathan Hall account shall be unfrozen and made available against to Mr. Hall. The account statements for this account shall not be subject to the requirements set forth below in paragraph 11.

11. Mr. Humphries and Mrs. Humphries must provide to counsel to the Commission and counsel to the Receiver, without further request or subpoena, their monthly account statements. These consist of (a) Jessica Humphries new checking account at Farmers & Merchants and her old Ally Bank account; (b) Christopher Humphries new checking account at Ally Bank; and (c) the Bug Raiders new checking account at East West Bank, for review and inspection by no later than the 5th of each month while this stipulation is in effect. The Humphries agree to provide the earlier

statements for these accounts from January 1, 2022 or opening of these new accounts (whichever is earlier) through the date of this stipulation. These statements shall be provided to counsel to the Commission by email to Casey R. Fronk (fronkc@sec.gov) and Tracy S. Combs (combst@sec.gov). These statements shall also be provided to the Receiver (geoff@americanfiduciaryservices.com) and to his counsel Kara Hendricks (hendricksk@gtlaw.com).

12. To the extent Mr. Humphries and Mrs. Humphries earn additional, going-forward income that they demonstrate, to the satisfaction of counsel for the Commission and the Receiver, is unconnected to the conduct alleged in the Amended Complaint, such income may be used for the payment of necessary and reasonable living expenses and a portion of the civil and criminal attorney's fees and defense costs needed for this Action and the pending parallel criminal investigation. As of the date of this stipulation, such income consists of the following:

- a. the income and other earnings of Jessica Humphries at her law firm in California that began on or about May 18, 2022 and future earnings at a law firm in Nevada after the August 2022 move back to Henderson; and
- b. the income and future earnings from the Bug Raiders Pest Control business.

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Before October 31, 2022, the Humphries reserve the right to seek the release of additional living expenses and housing expenses, and monies for attorneys' fees and costs.

Dated: September 14, 2022.

**U.S. SECURITIES AND EXCHANGE
COMMISSION**

/s/Casey R. Fronk

TRACY S. COMBS

CASEY R. FRONK

*Attorneys for Plaintiff U.S. Securities and
Exchange Commission*

Dated: September 14, 2022.

**Defendant Christopher Humphries and relief
Defendant CJ Investments, LLC**

/s/ Kendelea Leascher Works

PETER CHRISTIANSEN

KENDELEE WORKS

CHRISTIANSEN TRIAL LAWYERS

Dated: September 14, 2022.

Non-Party Jessica Humphries

/s/ Pamela L. Johnston

FOLEY & LARDNER LLP

THOMAS CARLUCCI

PAMELA JOHNSTON

555 S. Flower Street, Suite 3300

Los Angeles, CA 90071

Dated: September 14, 2022.

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Attorneys for Receiver Geoff Winkler

IT IS SO ORDERED:



CRISTINA D. SILVA

UNITED STATES DISTRICT JUDGE

DATED: September 15, 2022